



Arizona State Retirement System

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Fact Sheet

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ASRS BENEFITS AT A GLANCE

The Arizona State Retirement System, created in 1953, is a state agency providing retirement benefits, long-term disability benefits, health insurance and survivor benefits to employees of the state, counties, municipalities, universities and community colleges, school districts and other political entities.

Membership Categories

- Active Member - Working at a member employer and contributing to the ASRS.
- Inactive Member - Once a contributing member but now not employed by an ASRS member employer. Such members have an account balance but are no longer contributing and are not withdrawing pension benefits.
- Retiree - Receiving a lifetime monthly benefit from the ASRS.
- Survivor Beneficiary - A surviving beneficiary receiving a monthly benefit from the ASRS.
- LTD Recipient - Receiving a monthly benefit under the Long Term Disability Income Program.

Contribution Rates

The ASRS Defined Benefit Plan is a tax-qualified 401(a) plan that requires equal contributions from the member and their employer. Contribution rates are actuarially determined and set annually by the ASRS Board of Trustees.

Retirement Benefit

The amount of a member's pension is based on a formula that consists of years of service, average annual salary at the time of retirement, and a graded multiplier, which increases with years of service.

Normal retirement is the earliest date at which a member may retire with a full benefit, as calculated by the ASRS benefit formula. A normal retirement date occurs under the earliest of the following circumstances: 1) at age 65, 2) at age 62 with 10 or more years of credited service, or 3) at any combination of years of credited service and age, totaling 80 points.

Members who are at least age 50 with five or more years of credited service, may retire before normal retirement. However, a reduction determined by age and credited service at the time of early retirement is applied to the benefit, which stays at the reduced amount for the remainder of the member's benefit payments.

Annuity Options

Lifetime annuity income options for members who qualify for normal or early retirement:

Life Annuity: Straight life; 5-year certain, 10-year certain, 15-year certain.

Joint & Survivor Annuity: Beneficiary receives 100%, Beneficiary receives 66 2/3%, Beneficiary receives 50%.

Additional options: Partial Lump Sum Option; Health Insurance Optional Premium Benefit.

Survivor Benefits

Active members: Upon the member's death, beneficiary is entitled to the account balance, times two. Surviving beneficiary is also entitled to health insurance benefits, if they choose.

Retired members: Upon the retiree's death, beneficiary is entitled to benefits as determined by the annuity option selected at the time of retirement, as well as health insurance benefits, should they choose.

Leaving Employment Before Retirement

Options include: Leave account on deposit with the ASRS, at an annual interest accrual rate of 8%.

Request a refund of the account balance, subject to tax laws.

Withdraw the account balance and roll it over to another qualified retirement program.

Service Purchase Program

This program allows active, contributing members, or those participating in the Long Term Disability program, to purchase certain types of credited service to be applied toward their ASRS retirement benefit. Such service includes: previously forfeited ASRS credited service; unpaid leave of absence; military service, including National Guard and active reserve duty time; and other public service employment, even if the member did not participate in their retirement plan. Cost to purchase service is based on the actuarial present value of the service, and may be paid for through a number of payment options.

Long Term Disability Income Plan

The ASRS Long Term Disability Income Plan provides up to 66 2/3 of a member's salary while out of work with a qualified disability. A six-month waiting period applies, and the disability must meet specific criteria and be approved by the ASRS LTD administrator. While on LTD, members continue to accrue credited service up to the point of reaching normal retirement, at which time they receive their ASRS pension benefit.

Retiree Health Insurance

Any ASRS member receiving a pension or disability payment from the ASRS is eligible for ASRS Retiree Health Insurance coverage and the Health Insurance Premium Benefit program.

Medical, dental and vision insurance is provided through well-established health insurance companies, with a variety of plans and premiums available for selection.

The Health Insurance Premium Benefit program provides monthly payments to each eligible member to help offset the cost of health insurance premiums.

Information

For information on any of these benefits and programs, please visit the ASRS website at www.azasrs.gov

All members – active, inactive and retired – are strongly encouraged to visit their individual secure ASRS homepage. To begin the process, select the Login Here section on the ASRS homepage.

Note: This fact sheet provides a very general overview of ASRS benefits and programs. Many laws, rules and procedures apply to each of the benefits described.